

Illinois-American Water Company
Statement of Operating Income with Adjustments
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Staff Adjustments (St. Ex. 6.0) (Sch 6.2-S&P) (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Staff Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$68,225,977	\$ -	\$ 68,225,977	\$ 6,798,793	\$ (20,890)	\$75,003,880	\$ (2,053,807)	\$ 72,950,073		
2	Other Operating Revenue	528,140	-	528,140	-	-	528,140	-	528,140		
3	Total Operating Revenue	68,754,117	-	68,754,117	6,798,793	(20,890)	75,532,020	(2,053,807)	73,478,213	\$ 4,724,096	6.87%
4											
5	Uncollectible Accounts	540,605	-	540,605	44,648	(138)	585,115	(13,487)	571,628		
6	Salaries & Wages	11,638,307	-	11,638,307	-	-	11,638,307	-	11,638,307		
7	Employee Benefits	3,715,672	-	3,715,672	-	-	3,715,672	-	3,715,672		
8	Operating Expenses	5,720,649	415,000	6,135,649	-	-	6,135,649	-	6,135,649		
9	Maintenance - Other	2,426,642	(80,173)	2,346,469	-	-	2,346,469	-	2,346,469		
10	Administrative & General Expenses	3,650,174	-	3,650,174	-	-	3,650,174	-	3,650,174		
11	Regulatory Expense	67,434	(5,161)	62,273	-	-	62,273	-	62,273		
12	Miscellaneous	3,458,043	(15,903)	3,442,140	-	-	3,442,140	-	3,442,140		
13	Depreciation & Amortization Expense	12,844,009	(300,627)	12,543,382	-	-	12,543,382	-	12,543,382		
14	Taxes Other Than Income Tax	4,305,238	(25,391)	4,279,847	7,353	(7,353)	4,279,847	-	4,279,847		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	48,366,773	(12,255)	48,354,518	52,001	(7,491)	48,399,028	(13,487)	48,385,541		
18											
19	State Income Tax	524,732	(3,812)	520,920	270,665	(1,453)	790,132	(81,576)	708,556		
20	Federal Income Tax	4,808,260	(32,024)	4,776,236	2,274,410	(11,946)	7,038,700	(685,560)	6,353,140		
21	Deferred Taxes and ITCs Net	(1,093,571)	77,093	(1,016,478)	-	-	(1,016,478)	-	(1,016,478)		
22	Total Operating Expenses	52,606,194	29,002	52,635,196	2,597,076	(20,890)	55,211,382	(780,623)	54,430,759		
23											
24	NET OPERATING INCOME	\$ 16,147,923	\$ (29,002)	\$ 16,118,921	\$ 4,201,717	\$ -	\$20,320,638	\$ (1,273,184)	\$ 19,047,454		
25	Staff Rate Base								\$ 226,860,736	(1)	
26	Staff Overall Rate of Return								8.40%	(2)	

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-S&P, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Line No	Description (A)	Interest Synchron- ization (St. Ex 6.0 Sch 6.6-S&P) (B)	Rate Case Expense (St. Ex 1.0 Sch 1.9-S&P) (C)	Charitable Contributions Expense (St. Ex 1.0 Sch 1.10-S&P) (D)	Alton Plant Property Tax Expense (St. Ex 1.0 Sch 1.12-S&P) (E)	Reengineering Costs (St. Ex 1.0 Sch 1.13-S&P) (F)	Solid Waste Disposal Expense (St. Ex 1.0 Sch 1.14-S&P) (G)	Deferred Income Taxes (St. Ex 6.0 Sch 6.8-S&P) (H)	Depreciation Expense (St. Ex. 7.0 Sch 7.1-S&P) (I)	Utility Plant In Service (St. Ex. 7.0 Sch 7.2-S&P) (J)	Total Operating Statement Adjustments (K)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	415,000	-	-	-	415,000
9	Maintenance - Other	-	-	-	-	(80,173)	-	-	-	-	(80,173)
10	Administrative & General Expenses	-	-	-	-	-	-	-	-	-	-
11	Regulatory Expense	-	(5,161)	-	-	-	-	-	-	-	(5,161)
12	Miscellaneous	-	-	(15,903)	-	-	-	-	-	-	(15,903)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	(205,040)	(95,587)	(300,627)
14	Taxes Other Than Income Tax	-	-	-	(25,391)	-	-	-	-	-	(25,391)
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(5,161)	(15,903)	(25,391)	(80,173)	415,000	-	(205,040)	(95,587)	(12,255)
18											
19	State Income Tax	3,897	206	636	1,015	3,205	(16,593)	-	-	3,822	(3,812)
20	Federal Income Tax	32,751	1,734	5,344	8,532	26,939	(139,442)	-	-	32,118	(32,024)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	77,093	-	-	77,093
22	Total Operating Expenses	36,648	(3,221)	(9,923)	(15,844)	(50,029)	258,965	77,093	(205,040)	(59,647)	29,002
23											
24	NET OPERATING INCOME	\$ (36,648)	\$ 3,221	\$ 9,923	\$ 15,844	\$ 50,029	\$ (258,965)	\$ (77,093)	\$ 205,040	\$ 59,647	\$ (29,002)

Illinois-American Water Company
Rate Base
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Line No	Description (A)	Company	Staff	Staff
		Pro Forma (B-1a) (B)	Adjustment (St. Ex. 6.0 Sch 6.4-S&P) (C)	Pro Forma (Col B+C) (D)
1	Gross Utility Plant at Original Cost	\$ 359,249,857	\$ (2,720,609)	\$ 356,529,248
2	FAS 109 Regulatory Asset (Net)	4,746,580	-	4,746,580
3	Reserve for Accum. Depr. and Amort.	<u>(97,093,721)</u>	<u>837,037</u>	<u>(96,256,684)</u>
4	Net Plant	266,902,716	(1,883,572)	265,019,144
5				
6	Additions to Rate Base:			
7	Cash Working Capital	3,826,186	39,865	3,866,051
8	Materials and Supplies	1,356,099	(155,808)	1,200,291
9	Deferred Maintenance	763,221	-	763,221
10	Reengineering Costs	761,643	(761,643)	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	Contributions in Aid of Construction	(23,611,785)	-	(23,611,785)
19	Accumulated Depr. on Cont. Property	5,022,702	-	5,022,702
20	Customer Advances for Construction	(6,096,986)	-	(6,096,986)
21	Deferred Federal Income Tax	(16,017,465)	386,626	(15,630,839)
22	Deferred State Income Tax	(3,671,771)	72,653	(3,599,118)
23	Investment Tax Credit - Pre-1971	(71,945)	-	(71,945)
24		-	-	-
25		-	-	-
26				
27	Rate Base	<u>\$ 229,162,615</u>	<u>\$ (2,301,879)</u>	<u>\$ 226,860,736</u>

Illinois-American Water Company
Adjustments to Rate Base
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Line No	Description	Cash Working Capital (St. Ex. 6.0 Sch 6.7-S&P)	Accumulated Deferred Income Taxes (St. Ex. 1.0 Sch 1.11-S&P)	Reengineering Costs (St. Ex. 1.0 Sch 1.13-S&P)	Deferred Income Taxes (St. Ex. 6.0 Sch 6.8-S&P)	Materials & Supplies (St. Ex. 2.0 Sch 2.1-S&P)	Depreciation (St. Ex. 7.0 Sch 7.1-S&P)	Utility Plant In Service (St. Ex. 7.0 Sch 7.2-S&P)	(I)	(J)	Total Rate Base Adjustments (K)
	(A)	(B)	(C)	(D)		(F)	(G)	(H)			
1	Gross Utility Plant at Original Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,720,609)	\$ -	\$ -	\$ (2,720,609)
2	FAS 109 Regulatory Asset (Net)	-	-	-	-	-	-	-	-	-	-
3	Reserve for Accum. Depr. and Amort.	-	-	-	-	-	102,520	734,517	-	-	837,037
4	Net Plant	-	-	-	-	-	102,520	(1,986,092)	-	-	(1,883,572)
5											
6	Additions to Rate Base:										
7	Cash Working Capital	39,865	-	-	-	-	-	-	-	-	39,865
8	Materials and Supplies	-	-	-	-	(155,808)	-	-	-	-	(155,808)
9	Deferred Maintenance	-	-	-	-	-	-	-	-	-	-
10	Reengineering Costs	-	-	(761,643)	-	-	-	-	-	-	(761,643)
11		-	-	-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16											
17	Deductions from Rate Base:										
18	Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-
19	Accumulated Depr. on Cont. Property	-	-	-	-	-	-	-	-	-	-
20	Customer Advances for Construction	-	-	-	-	-	-	-	-	-	-
21	Deferred Federal Income Tax	-	233,169	-	34,448	-	-	119,009	-	-	386,626
22	Deferred State Income Tax	-	41,122	-	4,099	-	-	27,432	-	-	72,653
23		-	-	-	-	-	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-
25		-	-	-	-	-	-	-	-	-	-
26											
27	Rate Base	\$ 39,865	\$ 274,291	\$ (761,643)	\$ 38,547	\$ (155,808)	\$ 102,520	\$ (1,839,651)	\$ -	\$ -	\$ (2,301,879)

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5-S&P
Page 1 of 3
Revised

Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)
1	Company Proposed Increase					\$6,798,793 (1)
2	Staff Rate of Return applied to COMPANY RATE BASE	8.40% (2)				
3	Return on Equity	10.20% (2)		(1,788,825)		(1,788,825)
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)		(329,734)	17,968	53,697	- (258,069)
5						
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(6,913)
7						
8	Revenue Conversion Factor Adjustment					(20,890)
9						
10	Rounding					-
11						
12	Total Effect of Staff Proposals					<u>(2,074,697)</u>
13						
14						
15	Staff Proposed Change to Revenues					<u>\$4,724,096</u> (3)
16						
17						
18	Rounding (Memo Only)			-	(Memo Only)	
19						
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)			<u>\$ (1,770,857)</u>	(Memo Only)	

(1) Source: Company Exhibit 12.0, Schedule C-1, Page 7, Line 1.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-S&P, Column (J), Revised.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5-S&P
Page 2 of 3
Revised

Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Cash Working Capital	ICC Staff Ex. 6.0, Sch 6.7-S&P, Revised	\$ 5,710	\$ (311)	\$ (930)	\$ -	\$ 4,469	2
3	Accumulated Deferred Income Taxes	ICC Staff Ex. 1.0, Sch 1.11-S&P	39,291	(2,141)	(6,399)	-	30,751	3
4	Reengineering Costs	ICC Staff Ex. 1.0, Sch 1.13-S&P	(109,102)	5,945	17,767	-	(85,390)	4
5	Deferred Income Taxes	ICC Staff Ex. 6.0, Sch 6.8-S&P	5,522	(301)	(899)	-	4,322	5
6	Materials and Supplies	ICC Staff Ex. 2.0, Sch 2.1-S&P	(22,319)	1,216	3,635	-	(17,468)	6
7	Depreciation	ICC Staff Ex. 7.0, Sch 7.1-S&P	14,686	(800)	(2,392)	-	11,494	7
8	Utility Plant In Service	ICC Staff Ex. 7.0, Sch 7.1-S&P	(263,522)	14,360	42,914	-	(206,248)	8
9			-	-	-	-	-	9
10			-	-	-	-	-	10
11			-	-	-	-	-	11
12			-	-	-	-	-	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		(329,734)	17,968	53,696	-	(258,070)	28
29	Rounding		-	-	1	-	1	29
30	Total Revenue Effect of Rate Base Adjustments		<u>\$ (329,734)</u>	<u>\$ 17,968</u>	<u>\$ 53,697</u>	<u>\$ -</u>	<u>\$ (258,069)</u>	30

(1) Source: Adjustment x Co. ROR x Staff GRCF.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCF.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCF.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCF.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5-S&P
Page 3 of 3
Revised

Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Ex. 6.0, Sch. 6.6-S&P, Revised	\$ 59,118	\$ (53,697)	\$ 5,421	2
3	Rate Case Expense	ICC Staff Ex. 1.0, Sch. 1.9-S&P	(5,196)	-	(5,196)	3
4	Charitable Contribution Expense	ICC Staff Ex. 1.0, Sch. 1.10-S&P	(16,007)	-	(16,007)	4
5	Alton Plant Property Tax Expense	ICC Staff Ex. 1.0, Sch. 1.12-S&P	(25,558)	-	(25,558)	5
6	Reengineering Costs	ICC Staff Ex. 1.0, Sch. 1.13-S&P	(80,703)	-	(80,703)	6
7	Solid Waste Disposal Expense	ICC Staff Ex. 1.0, Sch. 1.14-S&P	417,743	-	417,743	7
8	Deferred Taxes	ICC Staff Ex. 6.0, Sch. 6.8-S&P, Revised	124,361	-	124,361	8
9	Depreciation Expense	ICC Staff Ex. 7.0, Sch. 7.1-S&P	(330,756)	-	(330,756)	9
10	Utility Plant in Service	ICC Staff Ex. 2.0, Sch. 7.1-S&P	(96,218)	-	(96,218)	10
11			-	-	-	11
12			-	-	-	12
13			-	-	-	13
14			-	-	-	14
15			-	-	-	15
16			-	-	-	16
17			-	-	-	17
18			-	-	-	18
19			-	-	-	19
20			-	-	-	20
21			-	-	-	21
22			-	-	-	22
23			-	-	-	23
24			-	-	-	24
25			-	-	-	25
26			-	-	-	26
27						27
28	Column Subtotal		<u>\$ 46,784</u>	<u>\$ (53,697)</u>	(6,913)	28
29						29
30	Rounding				-	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				<u>\$ (6,913)</u>	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: ICC Staff Ex. 6.0, Schedule 6.5-S&P, Page 2 of 3, Column (D), Line 30, Revised.

Illinois-American Water Company
 Interest Synchronization Adjustment
 For the Test Year Ended December 31, 2001
 Southern and Peoria Districts

<u>Line No</u>	<u>Description</u>	<u>Amount</u>
1	Staff Rate Base	\$226,860,736 (1)
2	Weighted Cost of Debt	<u>3.8461%</u> (2)
3	Synchronized Interest per Staff	8,725,291
4	Company Interest Expense	<u>8,822,761</u> (3)
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>\$ (97,470)</u>
6	Increase (Decrease) in State Income Tax Expense (Line 5 * 3.998%)	<u>\$ 3,897</u>
7	Increase (Decrease) in Federal Income Tax Expense ((Line 5 - Line 6) * 35%)	<u>\$ 32,751</u>

- (1) Source: ICC Staff Ex. 6.0, Schedule 6.3-S&P, Column (D), Revised.
 (2) Source: ICC Staff Exhibit 8.0, Schedule 8.1.
 (3) Source: Company Schedule No. C-3.11, Page 7 of 9.

Illinois-American Water Company
Adjustment to Cash Working Capital
For the Test Year Ended December 31, 2001
Southern and Peoria Districts

Line No	Description (A)	Amount (B)	Staff Adjustment (C)	Source (D)
1	Total Operating Expenses (Pre Income Tax)	\$ 48,385,541		(1)
2	Less:			
3	Uncollectible Accounts Expense	571,628		(2)
4	Annual Amortization of Rate Case Expense	62,273		(3)
5	Depreciation Expense	12,543,382		(4)
6	Taxes Other Than Income	<u>4,279,847</u>		(5)
7	Operating Expenses Requiring Working Capital	\$ 30,928,411		Line 1 minus the sum of Lines 3 through 6
8	45(lag days)/360 (30 day month year)	<u>12.50%</u>		
9	Total Cash Working Capital Per Staff		\$ 3,866,051	Line 7 multiplied by Line 8
10	Total Cash Working Capital Per Company		<u>3,826,186</u>	(6)
11	Adjustment to Cash Working Capital		<u>\$ 39,865</u>	Line 9 minus Line 10

- (1) Source: ICC Staff Ex. 6.0, Schedule 6.1-S&P, Column (I), Line 17, Revised.
(2) Source: ICC Staff Ex. 6.0, Schedule 6.1-S&P, Column (I), Line 5, Revised.
(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-S&P, Column (I), Line 11, Revised.
(4) Source: ICC Staff Ex. 6.0, Schedule 6.1-S&P, Column (I), Line 13, Revised.
(5) Source: ICC Staff Ex. 6.0, Schedule 6.1-S&P, Column (I), Line 14, Revised.
(6) Source: Company Exhibit No.11.0, Schedule B-5a, Page 7, Line 9.

Illinois-American Water Company
 Adjustment to Deferred Income Taxes for Change in Depreciation Rates
 For the Test Year Ended December 31, 2001
 Southern and Peoria

Line No	Description (A)	Amount (B)	Source (C)
1	Average Deferred Federal Income Taxes Per Staff	\$(15,749,849)	Staff Ex. 6.0, Schedule 6.8-S&P, Page 2, Line 3, Revised.
2	Average Deferred Federal Income Taxes Per Staff	(15,784,296)	Staff Ex. 1.0, Schedule 1.11-S&P, Page 1, Line 1.
3	Staff Adjustment to Average Deferred Federal Income Taxes	<u>\$ 34,448</u>	Line 1 minus Line 2.
4			
5	Average Deferred State Income Taxes Per Staff	\$ (3,626,550)	Staff Ex. 6.0, Schedule 6.8-S&P, Page 2, Line 11, Revised.
6	Average Deferred State Income Taxes Per Staff	(3,630,649)	Staff Ex. 1.0, Schedule 1.11-S&P, Page 1, Line 18.
7	Staff Adjustment to Average Deferred State Income Taxes	<u>\$ 4,099</u>	Line 5 minus Line 16.
8			
9			
10			
11	Deferred Federal Income Tax Expense Per Staff	\$ (820,467)	Staff Ex. 6.0, Schedule 6.8-S&P, Page 2, Line 3, Revised.
12	Deferred Federal Income Tax Expense Per Company	(889,362)	Company Filing Schedule No. C-2, Page 7, Line 32.
13	Staff Adjustment to Deferred Federal Income Taxes	<u>\$ 68,895</u>	Line 11 minus Line 12.
14			
15	Deferred State Income Tax Expense Per Staff	\$ (150,728)	Staff Ex. 6.0, Schedule 6.8-S&P, Page 2, Line 6, Revised.
16	Deferred State Income Tax Expense Per Company	(158,926)	Company Filing Schedule No. C-2, Page 7, Line 33.
17	Staff Adjustment to Deferred State Income Taxes	<u>\$ 8,198</u>	Line 11 minus Line 12.

Illinois-American Water Company
 Adjustment to Deferred Income Taxes
 For the Test Year Ended December 31, 2001
 Southern and Peoria

<u>Line No</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Deferred Federal Income Tax 12/31/00 Per Company	\$ (16,192,703)	Company Schedule No. B-1a, Page 7, Line 16.
2	Deferred Federal Income Tax 12/31/01 Per Staff	(15,306,994)	Line 7
3	Staff Average Federal Income Tax 2001	<u>\$ (15,749,849)</u>	Line 1 plus Line 2 Divided by 2.
4			
5	Deferred Federal Income Tax 12/31/01 Per Staff	\$ (15,375,889)	Staff Ex. 1.0, Schedule 1.11-S&P, Page 2, Line 6.
6	Staff Adjustment to Deferred Federal Income Tax 12/31/00	(68,895)	ICC Staff Ex. 6.0, Schedule 6.8-S&P, Page 1, Line 13, Revised.
7	Deferred Federal Income Tax 12/31/01 Per Staff	<u>\$ (15,306,994)</u>	Line 5 minus Line 6.
8			
9	Deferred State Income Tax 12/31/00 Per Company	\$ (3,678,747)	Company Schedule No. B-1a, Page 7, Line 16.
10	Deferred State Income Tax 12/31/01 Per Staff	(3,574,353)	Line 15
11	Staff Average State Income Tax 2001	<u>\$ (3,626,550)</u>	Line 9 plus Line 10 Divided by 2.
12			
13	Deferred State Income Tax 12/31/01 Per Company	\$ (3,582,551)	Staff Ex. 1.0, Schedule 1.11-S&P, Page 2, Line 15.
14	Staff Adjustment to Deferred State Income Tax 12/31/01	(8,198)	ICC Staff Ex. 6.0, Schedule 6.8-S&P, Page 1, Line 16, Revised.
15	Deferred State Income Tax 12/31/01 Per Staff	<u>\$ (3,574,353)</u>	Line 13 minus Line 14.

Illinois-American Water Company
 Adjustment to Deferred Income Taxes
 For the Test Year Ended December 31, 2001
 Southern and Peoria

<u>Line No</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Deferred Federal Income Tax Expense Per Company	\$ 889,362	Company Schedule No. C-2, Page 7, Line 32.
2	Adjustment to Deferred Income Tax Expense	68,895	Staff Ex. 6.0, Schedule 6.8-S&P, Page 4, Line 11, Revised.
3	Deferred Federal Income Tax Expense Per Staff	<u>\$ 820,467</u>	Line 1 minus 2.
4			
5	Deferred State Income Tax Expense Per Company	\$ 158,926	Company Schedule No. C-2, Page 7, Line 33.
6	Adjustment to Deferred Income Tax Expense	8,198	Staff Ex. 6.0, Schedule 6.8-S&P, Page 4, Line 5, Revised.
7	Deferred State Income Tax Expense Per Staff	<u>\$ 150,728</u>	Line 5 minus Line 6.

Illinois-American Water Company
Adjustment to Deferred Income Taxes
For the Test Year Ended December 31, 2001
Southern and Peoria

<u>Line No</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Staff Adjustment to Depreciation Expense	\$ 205,040	Staff Exhibit 6.0, Schedule 6.2-S&P, Line 13, Revised.
2			
3	Company's State Tax Rate	<u>0.039982</u>	
4			
5	Staff Adjustment to State Deferred Income Taxes	<u>\$ 8,198</u>	Line 1 times Line 3.
6			
7	Staff Adjustment to Depreciation Expense	\$ 205,040	Staff Exhibit 6.0, Schedule 6.2-S&P, Line 13, Revised.
8			
9	Company's Federal Tax Rate After State Taxes	<u>0.336006</u>	
10			
11	Staff Adjustment to State Deferred Income Taxes	<u>\$ 68,895</u>	Line 7 times Line 9.

Illinois-American Water Company
Statement of Operating Income with Adjustments
For the Test Year Ended December 31, 2001
Champaign District

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Staff Adjustments (St. Ex. 6.0) (Sch 6.2-CP) (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Staff Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col. I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 15,558,796	\$ -	\$ 15,558,796	\$ 1,519,095	\$ (4,493)	\$17,073,398	\$ (407,273)	\$16,666,125		
2	Other Operating Revenue	178,629	-	178,629	-	-	178,629	-	178,629		
3	Total Operating Revenue	15,737,425	-	15,737,425	1,519,095	(4,493)	17,252,027	(407,273)	16,844,754	\$ 1,107,329	7.04%
4											
5	Uncollectible Accounts	59,930	-	59,930	9,976	(30)	69,876	(2,675)	67,201		
6	Salaries & Wages	3,001,818	-	3,001,818	-	-	3,001,818	-	3,001,818		
7	Employee Benefits	845,131	-	845,131	-	-	845,131	-	845,131		
8	Operating Expenses	1,828,807	-	1,828,807	-	-	1,828,807	-	1,828,807		
9	Maintenance - Other	490,804	-	490,804	-	-	490,804	-	490,804		
10	Administrative & General Expenses	1,323,634	(31,749)	1,291,885	-	-	1,291,885	-	1,291,885		
11	Regulatory Expense	22,515	(1,724)	20,791	-	-	20,791	-	20,791		
12	Miscellaneous	1,078,979	(4,227)	1,074,752	-	-	1,074,752	-	1,074,752		
13	Depreciation & Amortization Expense	2,425,163	-	2,425,163	-	-	2,425,163	-	2,425,163		
14	Taxes Other Than Income Tax	805,737	-	805,737	1,643	(1,643)	805,737	-	805,737		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	11,882,518	(37,700)	11,844,818	11,619	(1,673)	11,854,764	(2,675)	11,852,089		
18											
19	State Income Tax	65,092	1,664	66,756	60,455	(297)	126,914	(16,177)	110,737		
20	Federal Income Tax	679,950	13,988	693,938	508,098	(2,524)	1,199,512	(135,947)	1,063,565		
21	Deferred Taxes and ITCs Net	(95,305)	-	(95,305)	-	-	(95,305)	-	(95,305)		
22	Total Operating Expenses	12,532,255	(22,048)	12,510,207	580,172	(4,494)	13,085,885	(154,799)	12,931,086		
23											
24	NET OPERATING INCOME	\$ 3,205,170	\$ 22,048	\$ 3,227,218	\$ 938,923	\$ 1	\$ 4,166,142	\$ (252,474)	\$ 3,913,668		
25	Staff Rate Base								\$46,612,929	(1)	
26	Staff Overall Rate of Return								8.40%	(2)	

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-CP, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
Champaign District

Line No	Description (A)	Champaign Office				(F)	(G)	(H)	(I)	(J)	Total Operating Statement Adjustments (K)
		Interest Synchron- ization (St. Ex. 6.0 Sch 6.6-CP)	Rate Case Expense (St. Ex 1.0 Sch 1.9-CP)	Charitable Contributions Expense (St. Ex 1.0 Sch 1.10-CP)	Building Lease Expense (St. Ex 1.0 Sch 1.12-CP)						
		(B)	(C)	(D)	(E)						
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(31,749)	-	-	-	-	-	(31,749)
11	Regulatory Expense	-	(1,724)	-	-	-	-	-	-	-	(1,724)
12	Miscellaneous	-	-	(4,227)	-	-	-	-	-	-	(4,227)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(1,724)	(4,227)	(31,749)	-	-	-	-	-	(37,700)
18											
19	State Income Tax	157	69	169	1,269	-	-	-	-	-	1,664
20	Federal Income Tax	1,321	579	1,420	10,668	-	-	-	-	-	13,988
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	1,478	(1,076)	(2,638)	(19,812)	-	-	-	-	-	(22,048)
23											
24	NET OPERATING INCOME	\$ (1,478)	\$ 1,076	\$ 2,638	\$ 19,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,048

Illinois-American Water Company
 Rate Base
 For the Test Year Ended December 31, 2001
 Champaign District

Line No	Description (A)	Company Pro Forma (B-1a) (B)	Staff Adjustment (St. Ex. 6.0 Sch 6.4-CP) (C)	Staff Pro Forma (Col B+C) (D)
1	Gross Utility Plant at Original Cost	\$ 84,427,320	\$ -	\$ 84,427,320
2	FAS 109 Regulatory Asset (Net)	(1,690,198)	-	(1,690,198)
3	Reserve for Accum. Depr. and Amort.	(23,108,522)	-	(23,108,522)
4	Net Plant	59,628,600	-	59,628,600
5				
6	Additions to Rate Base:			
7	Cash Working Capital	3,112,212	(6,569)	3,105,643
8	Materials and Supplies	-	(75,042)	(75,042)
9	Deferred Maintenance	-	-	-
10	Reengineering Costs	-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	Contributions in Aid of Construction	(11,507,113)	-	(11,507,113)
19	Accumulated Depr. on Cont. Property	2,397,590	-	2,397,590
20	Customer Advances for Construction	(6,163,892)	-	(6,163,892)
21	Deferred Federal Income Tax	(555,692)	18,654	(537,038)
22	Deferred State Income Tax	(219,871)	8,072	(211,799)
23	Investment Tax Credit - Pre-1971	(24,020)	-	(24,020)
24		-	-	-
25		-	-	-
26				
27	Rate Base	\$ 46,667,814	\$ (54,885)	\$ 46,612,929

Illinois-American Water Company
Adjustments to Rate Base
For the Test Year Ended December 31, 2001
Champaign District

Line No	Description (A)	Cash Working Capital (St. Ex. 6.0 Sch 6.7-CP) (B)	Accumulated Deferred Income Taxes (St. Ex. 1.0 Sch 1.11-CP) (C)	Materials & Supplies (St. Ex. 2.0 Sch 2.1-CP) (D)	(E)	(F)	(G)	(H)	(I)	(J)	Total Rate Base Adjustments (K)
1	Gross Utility Plant at Original Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	FAS 109 Regulatory Asset (Net)	-	-	-	-	-	-	-	-	-	-
3	Reserve for Accum. Depr. and Amort	-	-	-	-	-	-	-	-	-	-
4	Net Plant	-	-	-	-	-	-	-	-	-	-
5											
6	Additions to Rate Base:										
7	Cash Working Capital	(6,569)	-	-	-	-	-	-	-	-	(6,569)
8	Materials and Supplies	-	-	(75,042)	-	-	-	-	-	-	(75,042)
9	Deferred Maintenance	-	-	-	-	-	-	-	-	-	-
10	Reengineering Costs	-	-	-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16											
17	Deductions from Rate Base:										
18	Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-
19	Accumulated Depr. on Cont. Property	-	-	-	-	-	-	-	-	-	-
20	Customer Advances for Construction	-	-	-	-	-	-	-	-	-	-
21	Deferred Federal Income Tax	-	18,654	-	-	-	-	-	-	-	18,654
22	Deferred State Income Tax	-	8,072	-	-	-	-	-	-	-	8,072
23	Investment Tax Credit - Pre-1971	-	-	-	-	-	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-
25		-	-	-	-	-	-	-	-	-	-
26											
27	Rate Base	\$ (6,569)	\$ 26,726	\$ (75,042)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (54,885)

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Champaign District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5-CP
Page 1 of 3
Revised

Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)
1	Company Proposed Increase					\$ 1,519,095 (1)
2	Staff Rate of Return applied to COMPANY RATE BASE	8.40% (2)				
3	Return on Equity	10.20% (2)		(364,271)		(364,271)
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)	(7,862)	428	1,280	1	(6,153)
5						
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(36,846)
7						
8	Revenue Conversion Factor Adjustment					(4,493)
9						
10	Rounding					<u>(3)</u>
11						
12	Total Effect of Staff Proposals					<u>(411,766)</u>
13						
14						
15	Staff Proposed Change to Revenues					<u>\$ 1,107,329 (3)</u>
16						
17						
18	Rounding (Memo Only)			-	(Memo Only)	
19						
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)			<u>\$ (363,843)</u>	(Memo Only)	

- (1) Source: Company Exhibit 12.0, Schedule C-1, Page 3, Line 1.
(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.
(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-CP, Column (J), Revised.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Champaign District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5-CP
Page 2 of 3
Revised

Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Cash Working Capital	ICC Staff Ex. 6.0, Sch 6.7-CP, Revise	\$ (941)	\$ 51	\$ 153	\$ 1	\$ (736)	2
3	Accumulated Deferred Income Taxes	ICC Staff Ex. 1.0, Sch 1.11-CP	3,828	(209)	(623)	-	2,996	3
4	Materials and Supplies	ICC Staff Ex. 2.0, Sch 2.1-CP	(10,749)	586	1,751	(1)	(8,413)	4
5			-	-	-	-	-	5
6			-	-	-	-	-	6
7			-	-	-	-	-	7
8			-	-	-	-	-	8
9			-	-	-	-	-	9
10			-	-	-	-	-	10
11			-	-	-	-	-	11
12			-	-	-	-	-	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		(7,862)	428	1,281	-	(6,153)	28
29	Rounding		-	-	(1)	1	-	29
30	Total Revenue Effect of Rate Base Adjustments		<u>\$ (7,862)</u>	<u>\$ 428</u>	<u>\$ 1,280</u>	<u>\$ 1</u>	<u>\$ (6,153)</u>	30

(1) Source: Adjustment x Co. ROR x Staff GRCF.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCF.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCF.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCF.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Champaign District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5-CP
Page 3 of 3
Revised

Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Ex. 6.0, Sch 6.6-CP	\$ 2,384	\$ (1,280)	\$ 1,104	2
3	Rate Case Expense	ICC Staff Ex. 1.0, Sch 1.9-CP	(1,736)	-	(1,736)	3
4	Charitable Contribution Expense	ICC Staff Ex. 1.0, Sch 1.10-CP	(4,255)	-	(4,255)	4
5	Champaign Office Building Lease Expense	ICC Staff Ex. 1.0, Sch 1.12-CP	(31,959)	-	(31,959)	5
6			-	-	-	6
7			-	-	-	7
8			-	-	-	8
9			-	-	-	9
10			-	-	-	10
11			-	-	-	11
12			-	-	-	12
13			-	-	-	13
14			-	-	-	14
15			-	-	-	15
16			-	-	-	16
17			-	-	-	17
18			-	-	-	18
19			-	-	-	19
20			-	-	-	20
21			-	-	-	21
22			-	-	-	22
23			-	-	-	23
24			-	-	-	24
25			-	-	-	25
26			-	-	-	26
27						27
28	Column Subtotal		<u>\$ (35,566)</u>	<u>\$ (1,280)</u>	(36,846)	28
29						29
30	Rounding				-	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				<u>\$ (36,846)</u>	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: ICC Staff Ex. 6.0, Schedule 6.5, Page 2 of 3, Column (E), Line 30, Revised.

Illinois-American Water Company
Interest Synchronization Adjustment
For the Test Year Ended December 31, 2001
Champaign District

<u>Line No</u>	<u>Description</u>	<u>Amount</u>
1	Staff Rate Base	\$ 46,612,929 (1)
2	Weighted Cost of Debt	<u>3.8461%</u> (2)
3	Synchronized Interest per Staff	1,792,780
4	Company Interest Expense	<u>1,796,711</u> (3)
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>\$ (3,931)</u>
6	Increase (Decrease) in State Income Tax Expense (Line 5 * 3.998%)	<u>\$ 157</u>
7	Increase (Decrease) in Federal Income Tax Expense ((Line 5 - Line 6) * 35%)	<u>\$ 1,321</u>

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-CP, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1

(3) Source: Company Exhibit 12.0, Schedule C-3.11, Page 3, Line 9.

Illinois-American Water Company
Adjustment to Cash Working Capital
For the Test Year Ended December 31, 2001
Champaign District

Line No	Description (A)	Amount (B)	Staff Adjustment (C)	Source (D)
1	Total Operating Expenses (Pre Income Tax)	\$ 11,852,089		(1)
2	Less:			
3	Uncollectible Accounts Expense	67,201		(2)
4	Annual Amortization of Rate Case Expense	20,791		(3)
5	Depreciation Expense	2,425,163		(4)
6	Taxes Other Than Income	<u>805,737</u>		(5)
7	Operating Expenses Requiring Working Capital	\$ 8,533,197		Line 1 minus the sum of Lines 3 through 6
8		<u>18.26%</u>		(6)
9	Total Cash Working Capital Per Staff		\$ 1,558,162	Line 7 multiplied by Line 8
10	Total Cash Working Capital Per Company		<u>1,564,731</u>	(7)
11	Adjustment to Cash Working Capital		<u>\$ (6,569)</u>	Line 9 minus Line 10

- (1) Source: ICC Staff Ex 6.0, Schedule 6.1-CP, Column (I), Line 17, Revised.
(2) Source: ICC Staff Ex 6.0, Schedule 6.1-CP, Column (I), Line 5, Revised.
(3) Source: ICC Staff Ex 6.0, Schedule 6.1-CP, Column (I), Line 11, Revised.
(4) Source: ICC Staff Ex 6.0, Schedule 6.1-CP, Column (I), Line 13, Revised.
(5) Source: ICC Staff Ex 6.0, Schedule 6.1-CP, Column (I), Line 14, Revised.
(6) Source: Company Exhibit No.11.0, Schedule B-5a, Page 3 of 9, Line 8.
(7) Source: Company Exhibit No.11.0, Schedule B-5a, Page 3 of 9, Line 9.

Illinois-American Water Company
Statement of Operating Income with Adjustments
For the Test Year Ended December 31, 2001
Pontiac District

Line No	Description	Company Pro Forma Present (C-2) (B)	Staff Adjustments (St. Ex. 6.0) (Sch 6.2-PT) (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Staff Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 2,441,802	\$ -	\$ 2,441,802	\$ 131,414	\$ (642)	\$ 2,572,574	\$ (66,398)	\$ 2,506,176		
2	Other Operating Revenue	5,800	-	5,800	-	-	5,800	-	5,800		
3	Total Operating Revenue	2,447,602	-	2,447,602	131,414	(642)	2,578,374	(66,398)	2,511,976	\$ 64,374	2.63%
4											
5	Uncollectible Accounts	7,757	-	7,757	863	(4)	8,616	(436)	8,180		
6	Salaries & Wages	542,210	-	542,210	-	-	542,210	-	542,210		
7	Employee Benefits	89,001	-	89,001	-	-	89,001	-	89,001		
8	Operating Expenses	110,706	-	110,706	-	-	110,706	-	110,706		
9	Maintenance - Other	107,270	-	107,270	-	-	107,270	-	107,270		
10	Administrative & General Expenses	162,327	(1,682)	160,645	-	-	160,645	-	160,645		
11	Regulatory Expense	2,101	(161)	1,940	-	-	1,940	-	1,940		
12	Miscellaneous	125,704	(393)	125,311	-	-	125,311	-	125,311		
13	Depreciation & Amortization Expense	343,310	-	343,310	-	-	343,310	-	343,310		
14	Taxes Other Than Income Tax	131,753	-	131,753	142	(142)	131,753	-	131,753		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	1,622,139	(2,236)	1,619,903	1,005	(146)	1,620,762	(436)	1,620,326		
18											
19	State Income Tax	18,523	107	18,630	5,247	(53)	23,824	(2,637)	21,187		
20	Federal Income Tax	168,070	906	168,976	44,095	(443)	212,628	(22,164)	190,464		
21	Deferred Taxes and ITCs Net	(15,936)	-	(15,936)	-	-	(15,936)	-	(15,936)		
22	Total Operating Expenses	1,792,796	(1,223)	1,791,573	50,347	(642)	1,841,278	(25,237)	1,816,041		
23											
24	NET OPERATING INCOME	\$ 654,806	\$ 1,223	\$ 656,029	\$ 81,067	\$ -	\$ 737,096	\$ (41,161)	\$ 695,935		
25	Staff Rate Base								\$ 8,283,265	(1)	
26	Staff Overall Rate of Return								8.40%	(2)	

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-PT, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
Pontiac District

Line No	Description (A)	Champaign Office								Total Operating Statement Adjustments (K)
		Interest Synchron- ization (St. Ex. 6.0 Sch 6.6-PT) (B)	Rate Case Expense (St. Ex. 1.0 Sch 1.9-PT) (C)	Charitable Contributions Expense (St. Ex. 1.0 Sch 1.10-PT) (D)	Building Lease Expense (St. Ex. 1.0 Sch 1.12-PT) (E)	(J)	(G)	(H)	(I)	(J)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-
4										
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(1,682)	-	-	-	-	(1,682)
11	Regulatory Expense	-	(161)	-	-	-	-	-	-	(161)
12	Miscellaneous	-	-	(393)	-	-	-	-	-	(393)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-
15	0	-	-	-	-	-	-	-	-	-
16	Total Operating Expense	-	-	-	-	-	-	-	-	-
17	Before Income Taxes	-	(161)	(393)	(1,682)	-	-	-	-	(2,236)
18										
19	State Income Tax	18	6	16	67	-	-	-	-	107
20	Federal Income Tax	155	54	132	565	-	-	-	-	906
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	173	(101)	(245)	(1,050)	-	-	-	-	(1,223)
23										
24	NET OPERATING INCOME	\$ (173)	\$ 101	\$ 245	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ 1,223

Illinois-American Water Company
Rate Base
For the Test Year Ended December 31, 2001
Pontiac District

Line No	Description (A)	Company	Staff	Staff
		Pro Forma (B-1a) (B)	Adjustments (St. Ex. 6.0 Sch 6.4-PT) (C)	Pro Forma (Col B+C) (D)
1	Gross Utility Plant at Original Cost	\$11,765,638	\$ -	\$11,765,638
2	FAS 109 Regulatory Asset (Net)	\$ (157,594)	\$ -	\$ (157,594)
3	Reserve for Accum. Depr. and Amort.	(3,137,206)	-	(3,137,206)
4	Net Plant	8,470,838	-	8,470,838
5				
6	Additions to Rate Base:			
7	Cash Working Capital	142,152	(259)	141,893
8	Materials and Supplies	60,524	(6,997)	53,527
9	Deferred Maintenance	424,445	-	424,445
10	Reengineering Costs	-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	Contributions in Aid of Construction	(780,366)	-	(780,366)
19	Accumulated Depr. on Cont. Property	248,619	-	248,619
20	Customer Advances for Construction	(205,265)	-	(205,265)
21	Deferred Federal Income Tax	(51,208)	2,913	(48,295)
22	Deferred State Income Tax	(20,640)	751	(19,889)
23	Investment Tax Credit - Pre-1971	(2,242)	-	(2,242)
24		-	-	-
25		-	-	-
26				
27	Rate Base	\$ 8,286,857	\$ (3,592)	\$ 8,283,265

Illinois-American Water Company
Adjustments to Rate Base
For the Test Year Ended December 31, 2001
Pontiac District

Line No	Description (A)	Cash Working Capital (St. Ex. 6.0 Sch 6.7-PT) (B)	Accumulated Deferred Income Taxes (St. Ex. 1.0 Sch 1.11-PT) (C)	Materials & Supplies (St. Ex. 2.0 Sch 2.1-PT) (D)	(E)	(F)	(G)	(H)	(I)	(J)	Total Rate Base Adjustments (K)
1	Gross Utility Plant at Original Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	FAS 109 Regulatory Asset (Net)	-	-	-	-	-	-	-	-	-	-
2	Reserve for Accum. Depr. and Amort	-	-	-	-	-	-	-	-	-	-
3	Net Plant	-	-	-	-	-	-	-	-	-	-
4											
5	Additions to Rate Base:										
6	Cash Working Capital	(259)	-	-	-	-	-	-	-	-	(259)
7	Materials and Supplies	-	-	(6,997)	-	-	-	-	-	-	(6,997)
8	Deferred Maintenance	-	-	-	-	-	-	-	-	-	-
9	Reengineering Costs	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-	-	-
15											
16	Deductions from Rate Base:										
17	Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-
18	Accumulated Depr. on Cont. Property	-	-	-	-	-	-	-	-	-	-
19	Customer Advances for Construction	-	-	-	-	-	-	-	-	-	-
20	Deferred Federal Income Tax	-	2,913	-	-	-	-	-	-	-	2,913
21	Deferred State Income Tax	-	751	-	-	-	-	-	-	-	751
22	Investment Tax Credit - Pre-1971	-	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-	-	-	-	-
24	-	-	-	-	-	-	-	-	-	-	-
25											
26	Rate Base	\$ (259)	\$ 3,664	\$ (6,997)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,592)

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Pontiac District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5 - PT
Page 1 of 3
Revised

Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)
1	Company Proposed Increase					\$ 131,414 (1)
2	Staff Rate of Return applied to COMPANY RATE BASE	8.40% (2)	(63,938)			(63,938)
3	Return on Equity	10.20% (2)				
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)	(515)	28	84	-	(403)
5						
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(2,057)
7						
8	Revenue Conversion Factor Adjustment					(642)
9						
10	Rounding					-
11						
12	Total Effect of Staff Proposals					<u>(67,040)</u>
13						
14						
15	Staff Proposed Change to Revenues					<u>\$ 64,374 (3)</u>
16						
17						
18	Rounding (Memo Only)					- (Memo Only)
19						
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)		<u>\$ (63,910)</u>			(Memo Only)

(1) Source: Company Exhibit 12.0, Schedule C-1, Page 9, Line 1.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-PT, Column (J), Revised.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Pontiac District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5 - PT
Page 2 of 3
Revised

Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Cash Working Capital	ICC Staff Ex. 6.0, Sch 6.7-PT, Revised	\$ (37)	\$ 2	\$ 6	\$ -	\$ (29)	2
3	Accumulated Deferred Income Taxes	ICC Staff Ex. 1.0, Sch 1.11-PT	525	(28)	(85)	(1)	411	3
4	Materials & Supplies	ICC Staff Ex. 2.0, Sch 2.1-PT	(1,002)	54	163	-	(785)	4
5			-	-	-	-	-	5
6			-	-	-	-	-	6
7			-	-	-	-	-	7
8			-	-	-	-	-	8
9			-	-	-	-	-	9
10			-	-	-	-	-	10
11			-	-	-	-	-	11
12			-	-	-	-	-	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		(514)	28	84	(1)	(403)	28
29	Rounding		(1)	-	-	1	-	29
30	Total Revenue Effect of Rate Base Adjustments		<u>\$ (515)</u>	<u>\$ 28</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ (403)</u>	30

(1) Source: Adjustment x Co. ROR x Staff GRCF.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCF.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCF.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCF.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Pontiac District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5 - PT
Page 3 of 3
Revised

Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Ex. 6.0, Sch 6.6-PT, Revised	\$ 279	\$ (84)	\$ 195	2
3	Rate Case Expense	ICC Staff Ex. 1.0, Sch 1.9-PT	(163)	-	(163)	3
4	Charitable Contributions Expense	ICC Staff Ex. 1.0, Sch 1.10-PT	(395)	-	(395)	4
5	Champaign Office Building Lease Expense	ICC Staff Ex. 1.0, Sch 1.12-PT	(1,694)	-	(1,694)	5
6			-	-	-	6
7			-	-	-	7
8			-	-	-	8
9			-	-	-	9
10			-	-	-	10
11			-	-	-	11
12			-	-	-	12
13			-	-	-	13
14			-	-	-	14
15			-	-	-	15
16			-	-	-	16
17			-	-	-	17
18			-	-	-	18
19			-	-	-	19
20			-	-	-	20
21			-	-	-	21
22			-	-	-	22
23			-	-	-	23
24			-	-	-	24
25			-	-	-	25
26			-	-	-	26
27						27
28	Column Subtotal		<u>\$ (1,973)</u>	<u>\$ (84)</u>	(2,057)	28
29						29
30	Rounding				-	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				<u>\$ (2,057)</u>	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: ICC Staff Ex. 6.0, Schedule 6.5 , Page 2 of 3, Column (E), Line 30, Revised.

Illinois-American Water Company
 Interest Synchronization Adjustment
 For the Test Year Ended December 31, 2001
 Pontiac District

<u>Line No</u>	<u>Description</u>	<u>Amount</u>
1	Staff Rate Base	\$ 8,283,265 (1)
2	Weighted Cost of Debt	<u>3.8461%</u> (2)
3	Synchronized Interest per Staff	318,583
4	Company Interest Expense	<u>319,044</u> (3)
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>\$ (461)</u>
6	Increase (Decrease) in State Income Tax Expense (Line 5 * 7.18%)	<u>\$ 18</u>
7	Increase (Decrease) in Federal Income Tax Expense ((Line 5 - Line 6) * 34%)	<u>\$ 155</u>

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-PT, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Company Exhibit 12.0, Schedule C-3.11, Page 9, Line 9.

Illinois-American Water Company
Adjustment to Cash Working Capital
For the Test Year Ended December 31, 2001
Pontiac

Line No	Description (A)	Amount (B)	Staff Adjustment (C)	Source (D)
1	Total Operating Expenses (Pre Income Tax)	\$ 1,620,326		(1)
2	Less:			
3	Uncollectible Accounts Expense	8,180		(2)
4	Annual Amortization of Rate Case Expense	1,940		(3)
5	Depreciation Expense	343,310		(4)
6	Taxes Other Than Income	131,753		(5)
7	Operating Expenses Requiring Working Capital	\$ 1,135,143		Line 1 minus the sum of Lines 3 through 6
8	45(lag days)/360 (30 day month year)	<u>12.50%</u>		
9	Total Cash Working Capital Per Staff		\$ 141,893	Line 7 multiplied by Line 8
10	Total Cash Working Capital Per Company		<u>142,152</u>	(6)
11	Adjustment to Cash Working Capital		<u>\$ (259)</u>	Line 9 minus Line 10

- (1) Source: ICC Staff Ex. 6.0, Schedule 6.1-PT, Column (I), Line 17, Revised.
(2) Source: ICC Staff Ex. 6.0, Schedule 6.1-PT, Column (I), Line 5, Revised.
(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-PT, Column (I), Line 11, Revised.
(4) Source: ICC Staff Ex. 6.0, Schedule 6.1-PT, Column (I), Line 13, Revised.
(5) Source: ICC Staff Ex. 6.0, Schedule 6.1-PT, Column (I), Line 14, Revised.
(6) Source: Company Exhibit No.11.0, B-5a, Page 9, Line 9.

Illinois-American Water Company
Statement of Operating Income with Adjustments
For the Test Year Ended December 31, 2001
Sterling District

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Staff Adjustments (St. Ex. 6.0) (Sch 6.2-STG) (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Staff Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 2,359,140	\$ -	\$ 2,359,140	\$ 221,740	\$ (619)	\$ 2,580,261	\$ (52,159)	\$ 2,528,102		
2	Other Operating Revenue	11,260	-	11,260	-	-	11,260	-	11,260		
3	Total Operating Revenue	2,370,400	-	2,370,400	221,740	(619)	2,591,521	(52,159)	2,539,362	\$ 168,962	7.13%
4											
5	Uncollectible Accounts	4,942	-	4,942	1,456	(4)	6,394	(343)	6,051		
6	Salaries & Wages	533,625	-	533,625	-	-	533,625	-	533,625		
7	Employee Benefits	127,044	-	127,044	-	-	127,044	-	127,044		
8	Operating Expenses	153,386	-	153,386	-	-	153,386	-	153,386		
9	Maintenance - Other	105,774	-	105,774	-	-	105,774	-	105,774		
10	Administrative & General Expenses	247,459	(2,634)	244,825	-	-	244,825	-	244,825		
11	Regulatory Expense	3,288	(252)	3,036	-	-	3,036	-	3,036		
12	Miscellaneous	214,476	(410)	214,066	-	-	214,066	-	214,066		
13	Depreciation & Amortization Expense	319,556	-	319,556	-	-	319,556	-	319,556		
14	Taxes Other Than Income Tax	154,534	-	154,534	240	(240)	154,534	-	154,534		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	1,864,084	(3,296)	1,860,788	1,696	(244)	1,862,240	(343)	1,861,897		
18											
19	State Income Tax	8,507	156	8,663	8,823	(40)	17,446	(2,072)	15,374		
20	Federal Income Tax	90,910	1,315	92,225	74,145	(335)	166,035	(17,410)	148,625		
21	Deferred Taxes and ITCs Net	(7,323)	-	(7,323)	-	-	(7,323)	-	(7,323)		
22	Total Operating Expenses	1,956,178	(1,825)	1,954,353	84,664	(619)	2,038,398	(19,825)	2,018,573		
23											
24	NET OPERATING INCOME	\$ 414,222	\$ 1,825	\$ 416,047	\$ 137,076	\$ -	\$ 553,123	\$ (32,334)	\$ 520,789		
25	Staff Rate Base								\$ 6,198,619	(1)	
26	Staff Overall Rate of Return								8.40%	(2)	

(1) Source: ICC Staff Ex 6.0, Schedule 6.3-STG, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
Sterling District

Line No	Description	Champaign Office									
		Interest Synchron- ization (St. Ex. 6.0 Sch 6.6-STG)	Rate Case Expense (St. Ex. 1.0 Sch 1.9-STG)	Charitable Contributions Expense (St. Ex. 1.0 Sch 1.10-STG)	Building Lease Expense (St. Ex. 1.0 Sch 1.12-STG)						Total Operating Statement Adjustments
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(2,634)	-	-	-	-	-	(2,634)
11	Regulatory Expense	-	(252)	-	-	-	-	-	-	-	(252)
12	Miscellaneous	-	-	(410)	-	-	-	-	-	-	(410)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-
15	0	-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense	-	-	-	-	-	-	-	-	-	-
17	Before Income Taxes	-	(252)	(410)	(2,634)	-	-	-	-	-	(3,296)
18											
19	State Income Tax	25	10	16	105	-	-	-	-	-	156
20	Federal Income Tax	207	85	138	885	-	-	-	-	-	1,315
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	232	(157)	(256)	(1,644)	-	-	-	-	-	(1,825)
23											
24	NET OPERATING INCOME	\$ (232)	\$ 157	\$ 256	\$ 1,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,825

Illinois-American Water Company
Rate Base
For the Test Year Ended December 31, 2001
Sterling District

Line No	Description (A)	Company	Staff	Staff
		Pro Forma (B-1a) (B)	Adjustments (St. Ex. 6.0) (Sch 6.4-STG) (C)	Pro Forma (Col B+C) (D)
1	Gross Utility Plant at Original Cost	\$10,367,857	\$ -	\$10,367,857
2	FAS 109 Regulatory Asset (Net)	\$ (246,769)	\$ -	\$ (246,769)
3	Reserve for Accum. Depr. and Amort.	(2,704,863)	-	(2,704,863)
4	Net Plant	7,416,225	-	7,416,225
5				
6	Additions to Rate Base:			
7	Cash Working Capital	172,721	(381)	172,340
8	Materials and Supplies	94,769	(10,956)	83,813
9	Deferred Maintenance	156,672	-	156,672
10	Reengineering Costs	-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	Contributions in Aid of Construction	(1,050,559)	-	(1,050,559)
19	Accumulated Depr. on Cont. Property	204,048	-	204,048
20	Customer Advances for Construction	(667,363)	-	(667,363)
21	Deferred Federal Income Tax	(82,447)	1,189	(81,258)
22	Deferred State Income Tax	(32,245)	454	(31,791)
23	Investment Tax Credit - Pre-1971	(3,508)	-	(3,508)
24		-	-	-
25		-	-	-
26				
27	Rate Base	<u>\$ 6,208,313</u>	<u>\$ (9,694)</u>	<u>\$ 6,198,619</u>

Illinois-American Water Company
Adjustments to Rate Base
For the Test Year Ended December 31, 2001
Sterling District

Line No	Description (A)	Cash Working Capital (St. Ex. 6.0 Sch 6.7-STG) (B)	Accumulated Deferred Income Taxes (St. Ex. 1.0 Sch 1.11-STG) (C)	Materials & Supplies (St. Ex. 2.0 Sch 2.1-STG) (D)	(E)	(F)	(G)	(H)	(I)	(J)	Total Rate Base Adjustments (K)
1	Gross Utility Plant at Original Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	FAS 109 Regulatory Asset (Net)										
3	Reserve for Accum. Depr. and Amort	-	-	-	-	-	-	-	-	-	-
4	Net Plant	-	-	-	-	-	-	-	-	-	-
5											
6	Additions to Rate Base:										
7	Cash Working Capital	(381)	-	-	-	-	-	-	-	-	(381)
8	Materials and Supplies	-	-	(10,956)	-	-	-	-	-	-	(10,956)
9	Deferred Maintenance	-	-	-	-	-	-	-	-	-	-
10	Reengineering Costs	-	-	-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16											
17	Deductions from Rate Base:										
18	Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-
19	Accumulated Depr. on Cont. Property	-	-	-	-	-	-	-	-	-	-
20	Customer Advances for Construction	-	-	-	-	-	-	-	-	-	-
21	Deferred Federal Income Tax	-	1,189	-	-	-	-	-	-	-	1,189
22	Deferred State Income Tax	-	454	-	-	-	-	-	-	-	454
23	Investment Tax Credit - Pre-1971	-	-	-	-	-	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-
25		-	-	-	-	-	-	-	-	-	-
26											
27	Rate Base	\$ (381)	\$ 1,643	\$ (10,956)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,694)

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Sterling District

Docket No. 00-0340
ICC Staff Ex. 6.0
Schedule 6.5 - STG
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Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)
1	Company Proposed Increase					\$ 221,740 (1)
2	Staff Rate of Return applied to COMPANY RATE BASE	8.40% (2)	(47,901)			(47,901)
3	Return on Equity	10.20% (2)				
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)	(1,389)	75	226	-	(1,088)
5						
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(3,170)
7						
8	Revenue Conversion Factor Adjustment					(619)
9						
10	Rounding					-
11						
12	Total Effect of Staff Proposals					<u>(52,778)</u>
13						
14						
15	Staff Proposed Change to Revenues					<u>\$ 168,962 (3)</u>
16						
17						
18	Rounding (Memo Only)				- (Memo Only)	
19						
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)		<u>\$ (47,826)</u>	(Memo Only)		

(1) Source: Company Exhibit 12.0, Schedule C-1, Page 4, Line 1.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-STG, Column (J), Revised.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Sterling District

Docket No. 00-0340
ICC Staff Ex. 6.0
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Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Cash Working Capital	ICC Staff Ex. 6.0, Sch 6.7-STG, Revised	\$ (55)	\$ 3	\$ 9	\$ -	\$ (43)	2
3	Accumulated Deferred Income Taxes	ICC Staff Ex 1.0, Sch 1.11-STG	235	(13)	(38)	-	184	3
4	Materials & Supplies	ICC Staff Ex. 2.0, Sch 2.1-STG	(1,569)	85	256	(1)	(1,229)	4
5			-	-	-	-	-	5
6			-	-	-	-	-	6
7			-	-	-	-	-	7
8			-	-	-	-	-	8
9			-	-	-	-	-	9
10			-	-	-	-	-	10
11			-	-	-	-	-	11
12			-	-	-	-	-	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		(1,389)	75	227	(1)	(1,088)	28
29	Rounding		-	-	(1)	1	-	29
30	Total Revenue Effect of Rate Base Adjustments		\$ (1,389)	\$ 75	\$ 226	\$ -	\$ (1,088)	30

(1) Source: Adjustment x Co. ROR x Staff GRCE.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCE.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCE.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCE.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Sterling District

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ICC Staff Ex. 6.0
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Revised

Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Ex. 6.0, Sch 6.6-STG, Revised	\$ 374	\$ (226)	\$ 148	2
3	Rate Case Expense	ICC Staff Ex. 1.0, Sch 1.9-STG	(253)	-	(253)	3
4	Charitable Contributions Expense	ICC Staff Ex. 1.0, Sch 1.10-STG	(413)	-	(413)	4
5	Champaign Office Building Lease Expense	ICC Staff Ex. 1.0, Sch 1.12-STG	(2,652)	-	(2,652)	5
6			-	-	-	6
7			-	-	-	7
8			-	-	-	8
9			-	-	-	9
10			-	-	-	10
11			-	-	-	11
12			-	-	-	12
13			-	-	-	13
14			-	-	-	14
15			-	-	-	15
16			-	-	-	16
17			-	-	-	17
18			-	-	-	18
19			-	-	-	19
20			-	-	-	20
21			-	-	-	21
22			-	-	-	22
23			-	-	-	23
24			-	-	-	24
25			-	-	-	25
26			-	-	-	26
27						27
28	Column Subtotal		<u>\$ (2,944)</u>	<u>\$ (226)</u>	(3,170)	28
29						29
30	Rounding				-	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				<u>\$ (3,170)</u>	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: ICC Staff Ex 6.0, Schedule 6.5, Page 2 of 3, Column (E), Line 30, Revised.

Illinois-American Water Company
Interest Synchronization Adjustment
For the Test Year Ended December 31, 2001
Sterling District

Line No	Description	Amount
1	Staff Rate Base	\$ 6,198,619 (1)
2	Weighted Cost of Debt	<u>3.8461%</u> (2)
3	Synchronized Interest per Staff	238,405
4	Company Interest Expense	<u>239,020</u> (3)
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>\$ (615)</u>
6	Increase (Decrease) in State Income Tax Expense (Line 5 * 7.18%)	<u>\$ 25</u>
7	Increase (Decrease) in Federal Income Tax Expense ((Line 5 - Line 6) * 34%)	<u>\$ 207</u>

(1) Source: ICC Staff Ex 6.0, Schedule 6.3-STG, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Company Exhibit 12.0, Schedule C-3.11, Page 4, Line 9.

Illinois-American Water Company
 Adjustment to Cash Working Capital
 For the Test Year Ended December 31, 2001
 Sterling

Line No	Description (A)	Amount (B)	Staff Adjustment (C)	Source (D)
1	Total Operating Expenses (Pre Income Tax)	\$ 1,861,897		(1)
2	Less:			
3	Uncollectible Accounts Expense	6,051		(2)
4	Annual Amortization of Rate Case Expense	3,036		(3)
5	Depreciation Expense	319,556		(4)
6	Taxes Other Than Income	154,534		(5)
7	Operating Expenses Requiring Working Capital	\$ 1,378,720		Line 1 minus the sum of Lines 3 through 6
8	45(lag days)/360 (30 day month year)	<u>12.50%</u>		
9	Total Cash Working Capital Per Staff		\$ 172,340	Line 7 multiplied by Line 8
10	Total Cash Working Capital Per Company		<u>172,721</u>	(6)
11	Adjustment to Cash Working Capital		<u>\$ (381)</u>	Line 9 minus Line 10

- (1) Source: ICC Staff Ex 6.0, Schedule 6.1-STG, Column (I), Line 17, Revised.
 (2) Source: ICC Staff Ex 6.0, Schedule 6.1-STG, Column (I), Line 5, Revised.
 (3) Source: ICC Staff Ex 6.0, Schedule 6.1-STG, Column (I), Line 11, Revised.
 (4) Source: ICC Staff Ex 6.0, Schedule 6.1-STG, Column (I), Line 13, Revised.
 (5) Source: ICC Staff Ex 6.0, Schedule 6.1-STG, Column (I), Line 14, Revised.
 (6) Source: Company Exhibit No.11.0, B-5a, Page 4, Line 9.

Illinois-American Water Company
Statement of Operating Income with Adjustments
For the Test Year Ended December 31, 2001
Streator District

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Staff Adjustments (St. Ex. 6.0) Sch 6.2-STR (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Staff Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 2,739,793	\$ -	\$ 2,739,793	\$ 285,951	\$ (821)	\$ 3,024,923	\$ (75,375)	\$ 2,949,548		
2	Other Operating Revenue	11,200	-	11,200	-	-	11,200	-	11,200		
3	Total Operating Revenue	2,750,993	-	2,750,993	285,951	(821)	3,036,123	(75,375)	2,960,748	\$ 209,755	7.62%
4											
5	Uncollectible Accounts	8,108	-	8,108	1,878	(6)	9,980	(495)	9,485		
6	Salaries & Wages	682,899	-	682,899	-	-	682,899	-	682,899		
7	Employee Benefits	151,330	-	151,330	-	-	151,330	-	151,330		
8	Operating Expenses	117,236	-	117,236	-	-	117,236	-	117,236		
9	Maintenance - Other	77,431	-	77,431	-	-	77,431	-	77,431		
10	Administrative & General Expenses	261,901	(3,092)	258,809	-	-	258,809	-	258,809		
11	Regulatory Expense	3,854	(295)	3,559	-	-	3,559	-	3,559		
12	Miscellaneous	201,703	(501)	201,202	-	-	201,202	-	201,202		
13	Depreciation & Amortization Expense	402,228	-	402,228	-	-	402,228	-	402,228		
14	Taxes Other Than Income Tax	161,162	-	161,162	309	(309)	161,162	-	161,162		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	2,067,852	(3,888)	2,063,964	2,187	(315)	2,065,836	(495)	2,065,341		
18											
19	State Income Tax	11,179	263	11,442	11,379	(54)	22,767	(2,994)	19,773		
20	Federal Income Tax	116,706	2,203	118,909	95,629	(452)	214,086	(25,160)	188,926		
21	Deferred Taxes and ITCs Net	(14,104)	-	(14,104)	-	-	(14,104)	-	(14,104)		
22	Total Operating Expenses	2,181,633	(1,422)	2,180,211	109,195	(821)	2,288,585	(28,649)	2,259,936		
23											
24	NET OPERATING INCOME	\$ 569,360	\$ 1,422	\$ 570,782	\$ 176,756	\$ -	\$ 747,538	\$ (46,726)	\$ 700,812		
25	Staff Rate Base								\$ 8,341,317	(1)	
26	Staff Overall Rate of Return								8.40%	(2)	

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-STR, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
Streator District

Line No	Description (A)	Interest Synchron- ization (St. Ex. 6.0 Sch 6.6-STR	Rate Case Expense (St. Ex. 1.0 Sch 1.9-STR)	Charitable Contributions Expense (St. Ex. 1.0 Sch 1.10-STR)	Champaign Office Building Lease Expense (St. Ex. 1.0 Sch 1.12-STR)	(F)	(G)	(H)	(I)	(J)	Total Operating Statement Adjustments (K)
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(3,092)	-	-	-	-	-	(3,092)
11	Regulatory Expense	-	(295)	-	-	-	-	-	-	-	(295)
12	Miscellaneous	-	-	(501)	-	-	-	-	-	-	(501)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(295)	(501)	(3,092)	-	-	-	-	-	(3,888)
18											
19	State Income Tax	107	12	20	124	-	-	-	-	-	263
20	Federal Income Tax	897	99	168	1,039	-	-	-	-	-	2,203
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	1,004	(184)	(313)	(1,929)	-	-	-	-	-	(1,422)
23											
24	NET OPERATING INCOME	\$ (1,004)	\$ 184	\$ 313	\$ 1,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,422

Illinois-American Water Company
Rate Base
For the Test Year Ended December 31, 2001
Streator District

Line No	Description (A)	Company	Staff	Staff
		Pro Forma (B-1a) (B)	Adjustments (St. Ex. 6.0 Sch 6.4-STR) (C)	Pro Forma (Col B+C) (D)
1	Gross Utility Plant at Original Cost	\$13,775,753	\$ -	\$13,775,753
2	FAS 109 Regulatory Asset (Net)	(289,698)	-	(289,698)
3	Reserve for Accum. Depr. and Amort.	(3,312,674)	(66,625)	(3,379,299)
4	Net Plant	\$10,173,381	\$ (66,625)	\$10,106,756
5				
6	Additions to Rate Base:			
7	Cash Working Capital	186,583	(450)	186,113
8	Materials and Supplies	111,250	(12,862)	98,388
9	Deferred Maintenance	4,085	-	4,085
10	Reengineering Costs	-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	Contributions in Aid of Construction	(1,944,472)	-	(1,944,472)
19	Accumulated Depr. on Cont. Property	239,902	(14,708)	225,194
20	Customer Advances for Construction	(231,022)	-	(231,022)
21	Deferred Federal Income Tax	(95,652)	29,690	(65,962)
22	Deferred State Income Tax	(37,718)	4,067	(33,651)
23	Investment Tax Credit - Pre-1971	(4,112)	-	(4,112)
24		-	-	-
25		-	-	-
26				
27	Rate Base	<u>\$ 8,402,205</u>	<u>\$ (60,888)</u>	<u>\$ 8,341,317</u>

Illinois-American Water Company
Adjustments to Rate Base
For the Test Year Ended December 31, 2001
Streator District

Line No	Description (A)	Cash Working Capital (St. Ex. 6.0 Sch 6.7-STR) (B)	Accumulated Deferred Income Taxes (St. Ex. 1.0 Sch 1.11-STR) (C)	Materials & Supplies (St. Ex. 2.0 Sch 2.1-STR) (D)	Accumulated Depreciation (St. Ex. 2.0 Sch 2.2-STR) (E)	(F)	(G)	(H)	(I)	(J)	Total Rate Base Adjustments (K)
1	Gross Utility Plant at Original Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	FAS 109 Regulatory Asset (Net)										
2	Reserve for Accum. Depr. and Amort	-	-	-	(66,625)	-	-	-	-	-	(66,625)
3	Net Plant	-	-	-	(66,625)	-	-	-	-	-	(66,625)
4											
5	Additions to Rate Base:	-	-	-	-	-	-	-	-	-	-
6	Cash Working Capital	(450)	-	-	-	-	-	-	-	-	(450)
7	Materials and Supplies	-	-	(12,862)	-	-	-	-	-	-	(12,862)
8	Deferred Maintenance	-	-	-	-	-	-	-	-	-	-
9	Reengineering Costs	-	-	-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-	-	-
15											
16	Deductions from Rate Base:										
17	Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-
18	Accumulated Depr. on Cont. Property	-	-	-	(14,708)	-	-	-	-	-	(14,708)
19	Customer Advances for Construction	-	-	-	-	-	-	-	-	-	-
20	Deferred Federal Income Tax	-	2,617	-	27,073	-	-	-	-	-	29,690
21	Deferred State Income Tax	-	715	-	3,352	-	-	-	-	-	4,067
22	Investment Tax Credit - Pre-1971	-	-	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-	-	-
24		-	-	-	-	-	-	-	-	-	-
25											
26	Rate Base	\$ (450)	\$ 3,332	\$ (12,862)	\$ (50,908)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,888)

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Streator District

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Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)
1	Company Proposed Increase					\$ 285,951 (1)
2	Staff Rate of Return applied to COMPANY RATE BASE	8.40% (2)				
3	Return on Equity	10.20% (2)		(64,828)		(64,828)
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)	(8,722)	470	1,420	-	(6,832)
5						
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(3,714)
7						
8	Revenue Conversion Factor Adjustment					(821)
9						
10	Rounding					(1)
11						
12	Total Effect of Staff Proposals					(76,196)
13						
14						
15	Staff Proposed Change to Revenues					\$ 209,755 (3)
16						
17						
18	Rounding (Memo Only)			(1) (Memo Only)		
19						
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)			\$ (64,359) (Memo Only)		

(1) Source: Company Exhibit 12.0, Schedule C-1, Page 8, Line 1.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-STR, Column (J), Revised.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Streator District

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Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Cash Working Capital	ICC Staff Ex. 6.0, Sch 6.6-STR, Revised	\$ (64)	\$ 3	\$ 10	\$ 1	\$ (50)	2
3	Accumulated Deferred Income Taxes	ICC Staff Ex. 1.0, Sch 1.11-STR	477	(26)	(78)	1	374	3
4	Materials & Supplies	ICC Staff Ex. 2.0, Sch 2.1-STR	(1,842)	99	300	-	(1,443)	4
5	Accumulated Depreciation	ICC Staff Ex. 2.0, Sch 2.2-STR	(7,292)	393	1,188	(1)	(5,712)	5
6			-	-	-	-	-	6
7			-	-	-	-	-	7
8			-	-	-	-	-	8
9			-	-	-	-	-	9
10			-	-	-	-	-	10
11			-	-	-	-	-	11
12			-	-	-	-	-	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		(8,721)	469	1,420	1	(6,831)	28
29	Rounding		(1)	1	-	(1)	(1)	29
30	Total Revenue Effect of Rate Base Adjustments		\$ (8,722)	\$ 470	\$ 1,420	\$ -	\$ (6,832)	30

(1) Source: Adjustment x Co. ROR x Staff GRCE.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCE.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCE.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCE.

Illinois-American Water Company
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
Streator District

Docket No.00-0340
ICC Staff Ex. 6.0
Schedule 6.5 - STR
Page 3 of 3
Revised

Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Ex. 6.0, Sch 6.6-STR, Revised	\$ 1,620	\$ (1,420)	\$ 200	2
3	Rate Case Expense	ICC Staff Ex. 1.0, Sch 1.9-STR	(297)		(297)	3
4	Charitable Contributions Expense	ICC Staff Ex. 1.0, Sch 1.10-STR	(505)		(505)	4
5	Champaign Office Building Lease Expense	ICC Staff Ex. 1.0, Sch 1.12-STR	(3,112)		(3,112)	5
6			-		-	6
7			-		-	7
8			-		-	8
9			-		-	9
10			-		-	10
11			-		-	11
12			-		-	12
13			-		-	13
14			-		-	14
15			-		-	15
16			-		-	16
17			-		-	17
18			-		-	18
19			-		-	19
20			-		-	20
21			-		-	21
22			-		-	22
23			-		-	23
24			-		-	24
25			-		-	25
26			-		-	26
27						27
28	Column Subtotal		<u>\$ (2,294)</u>	<u>\$ (1,420)</u>	(3,714)	28
29						29
30	Rounding				-	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				<u>\$ (3,714)</u>	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: ICC Staff Ex. 6.0, Schedule 6.5-STR, Page 2 of 3, Column (E), Line 30, Revised.

Illinois-American Water Company
Interest Synchronization Adjustment
For the Test Year Ended December 31, 2001
Streator District

<u>Line No</u>	<u>Description</u>	<u>Amount</u>
1	Staff Rate Base	\$ 8,341,317 (1)
2	Weighted Cost of Debt	3.8461% (2)
3	Synchronized Interest per Staff	320,815
4	Company Interest Expense	<u>323,485</u> (3)
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>\$ (2,670)</u>
6	Increase (Decrease) in State Income Tax Expense (Line 5 * 7.18%)	<u>\$ 107</u>
7	Increase (Decrease) in Federal Income Tax Expense ((Line 5 - Line 6) * 34%)	<u>\$ 897</u>

(1) Source: ICC Staff Ex. 6.0, Schedule 6.3-STR, Column (D), Revised.

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Company Exhibit 12.0, Schedule C-3.11, Page 8, Line 9..

Illinois-American Water Company
Adjustment to Cash Working Capital
For the Test Year Ended December 31, 2001
Streator

Line No	Description (A)	Amount (B)	Staff Adjustment (C)	Source (D)
1	Total Operating Expenses (Pre Income Tax)	\$ 2,065,341		(1)
2	Less:			
3	Uncollectible Accounts Expense	9,485		(2)
4	Annual Amortization of Rate Case Expense	3,559		(3)
5	Depreciation Expense	402,228		(4)
6	Taxes Other Than Income	161,162		(5)
7	Operating Expenses Requiring Working Capital	\$ 1,488,907		Line 1 minus the sum of Lines 3 through 6
8	45(lag days)/360 (30 day month year)	<u>12.50%</u>		
9	Total Cash Working Capital Per Staff		\$ 186,113	Line 7 multiplied by Line 8
10	Total Cash Working Capital Per Company		<u>186,563</u>	(6)
11	Adjustment to Cash Working Capital		<u>\$ (450)</u>	Line 9 minus Line 10

- (1) Source: ICC Staff Ex. 6.0, Schedule 6.1-STR, Column (I), Line 16, Revised.
(2) Source: ICC Staff Ex. 6.0, Schedule 6.1-STR, Column (I), Line 5, Revised.
(3) Source: ICC Staff Ex. 6.0, Schedule 6.1-STR, Column (I), Line 11, Revised.
(4) Source: ICC Staff Ex. 6.0, Schedule 6.1-STR, Column (I), Line 13, Revised.
(5) Source: ICC Staff Ex. 6.0, Schedule 6.1-STR, Column (I), Line 14, Revised.
(6) Source: Company Exhibit No. 11.0, B-5a, Page 8, Line 9.